

# THE COMMITTEE ON ENERGY AND COMMERCE



## INTERNAL MEMORANDUM

September 6, 2012

TO: Members, Subcommittee on Energy and Power

FROM: Committee Staff

RE: Legislative Hearing on H.R. 4255, the "Accountability in Grants Act of 2012"

On Tuesday, September 11, 2012, at 10:15 a.m. in room 2123 of the Rayburn House Office Building, the Subcommittee on Energy and Power will hold a legislative hearing on H.R. 4255, the "Accountability in Grants Act of 2012".

### **I. WITNESSES**

#### **Panel 1**

**Craig E. Hooks**

Assistant Administrator  
Office of Administration and Resources Management  
U.S. Environmental Protection Agency

#### **Panel 2**

**David W. Kreutzer, Ph.D.**

Research Fellow  
Heritage Foundation

**Daniel R. Simmons**

Director of Regulatory and State Affairs  
Institute for Energy Research

**Andrew Light, Ph.D.**

Senior Fellow  
Center for American Progress &  
Associate Director  
Institute for Philosophy and Public Policy  
George Mason University

**Elisa Derby**

Senior Program Officer  
Winrock International

## **II. H.R. 4255, “ACCOUNTABILITY IN GRANTS ACT OF 2012”**

### **A. Background**

Since 2001, the U.S. Environmental Protection Agency (EPA) has awarded grants to foreign recipients totaling over \$100 million.<sup>1</sup> These EPA grants have been awarded to foreign recipients, including foreign governments, universities, and non-governmental organizations (NGOs). In addition, EPA also awards grants to domestic recipients for the purpose of carrying out projects in locations outside the United States. Detailed grant spending data, broken down by fiscal year and provided to the Committee by EPA, reflects that since 2001, spending on foreign grants has substantially increased.<sup>2</sup> *See* Appendix attached hereto.

In awarding foreign grants, EPA cites as its statutory authority a range of domestic environmental statutes administered by the agency, including section 103 of the Clean Air Act ([CAA](#)), 42 U.S.C. § 7403.<sup>3</sup> Section 103 includes provisions that authorize the Administrator to make grants to air pollution control agencies, to other public or nonprofit private agencies, institutions, and organizations as part of a national research and development program for the prevention and control of air pollution.

For all such foreign grants, including those awarded pursuant to CAA section 103, EPA also relies for its statutory authority on [Section 102\(2\)\(F\)](#) of the National Environmental Policy Act ([NEPA](#)) § 102(2)(F), 42 U.S.C. § 4332(2)(F). This provision directs agencies, where consistent with the foreign policy of the United States, to lend appropriate support to initiatives, resolutions, and programs designed to maximize international cooperation in anticipating and preventing a decline in the quality of the world environment.<sup>4</sup>

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<sup>1</sup> *See* EPA partial [list](#) of foreign grants awarded from FY 2001 through August 2011; *see also* footnote 2.

<sup>2</sup> EPA provided the Committee with a series of charts reflecting a fiscal year accounting of foreign grants awarded by the agency. *See* [Oct. 1, 2000-Sept. 30, 2006](#); [Oct. 1, 2006-Dec. 31, 2008](#); [Aug. 25, 2011 - Sept. 30, 2011](#); [Jan. 1, 2009-Aug. 25, 2011 Supplemental](#).

<sup>3</sup> *See* EPA [list](#) of foreign grants awarded from February 2009 through August 2011.

<sup>4</sup> In April 2012, EPA issued [guidance](#) addressing the award and administration of foreign grants. That guidance lists a variety of domestic statutes as general statutory authority for foreign grants, including Clean Air Act 103(b)(3). The guidance states that “[i]n order for any of the above statutes to apply internationally, they must be supplemented by NEPA § 102(2)(F).”

## **B. Summary of Legislation**

H.R. 4255 was introduced on March 22, 2012. The bill addresses foreign grants awarded by the EPA under section 103 of the Clean Air Act and includes the following provision:

Section 1: This section provides the short title of “Accountability in Grants Act of 2012.”

Section 2: This section amends section 103 of the CAA to prohibit the Administrator of EPA from awarding any grant, contract, cooperative agreement, or other financial assistance under that CAA section for any program, project or activity to occur outside the United States and its territories or possessions.

## **III. ISSUES**

The following issues are expected to be examined at the hearing:

- EPA foreign recipient grant programs;
- Existing and pending foreign grants or financial assistance under CAA section 103;
- Criteria for the agency’s award of such foreign grants or financial assistance;
- Sources of funding for such foreign grants or financial assistance; and,
- Administration by the agency of such foreign grants or financial assistance.

## **IV. STAFF CONTACT**

If you have any questions regarding the hearing, please contact Cory Hicks or Mary Neumayr at 202-225-2927.

Attachment

**APPENDIX**

**Spending on EPA Foreign Grants**

|         | Total        |
|---------|--------------|
| FY 2001 | \$7,687,028  |
| FY 2002 | \$8,435,109  |
| FY 2003 | \$9,975,258  |
| FY 2004 | \$10,443,213 |
| FY 2005 | \$9,919,977  |
| FY 2006 | \$7,693,864  |
| FY 2007 | \$7,100,540  |
| FY 2008 | \$16,528,786 |
| FY 2009 | \$11,910,445 |
| FY 2010 | \$21,986,192 |
| FY 2011 | \$28,141,702 |